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GEORGE WESTON HOLDINGS LIMITED

FINANCIAL STATEMENTS

31 MARCH 1990

KPMG PEAT MARWICK McLINTOCK
1 Puddle Dock, Blackfriars, London EC4V 3PD.

GEORGE WESTON HOLDINGS LIMITED

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GEORGE WESTON HOLDINGS LIMITED

NOTICE OF MEETING

Notice is hereby given that the fifty-fifth annual general meeting of the members of the company will be held at 68 Knightsbridge, London SW1, on 31 July 1990 at 2.00 pm.

1 To receive and consider the financial statements for the year ended 31 March 1990, and the reports of the directors and auditors thereon.

2 To elect directors.

3 To re-appoint KPMG Peat Marwick McLintock as auditors, and to authorise the directors to fix their remuneration.

By order of the board

Secretary

3 July 1990

68 Knightsbridge
London SW1X 7LR

GEORGE WESTON HOLDINGS LIMITED

DIRECTORS

Chairman:	Garry H Weston
Directors:	W G Galen Weston H W Bailey W Monaghan H Mann
Secretary:	H W Bailey
Registered office:	68 Knightsbridge London, SW1X 7LR
Transfer office:	NEM House 3/5 Rickmansworth Road Watford Herts, WD1 7HG
Auditors:	KPMG Peat Marwick McLintock 1 Puddle Dock Blackfriars London EC4V 3PD

GEORGE WESTON HOLDINGS LIMITED

DIRECTORS' REPORT

The directors submit to the members their fifty-fifth annual report together with the financial statements of the company for the year ended 31 March 1990.

Profits

Trading surplus increased by £3.8 million to £160.7 million and profit before tax amounted to £297.0 million compared with £245.2 million in 1989. The tax charge for the year totalled £95.0 million (1989: £74.6 million).

After deducting profits attributable to minority interests of £75.2 million (1989: £63.8 million) and adding the extraordinary items detailed in note 9 to the financial statements, the net profit attributable to the company's shareholders is £177.3 million compared with £129.4 million in 1989.

Dividends

Two dividends have been declared since the end of the year. A first interim dividend of 520p will be paid on 1 October 1990. A second interim dividend of 400p will be paid on 4 March 1991. These dividends are net payments and, together with the associated tax credit, represent an equivalent gross percentage of 2,453.33 per cent. In addition a special dividend of 200p was paid on 12 March 1990 in respect of the year ended 1 April 1989.

Principal activities

There has been no significant change to the activities of the group which principally concern the manufacture and sale of food in the United Kingdom, Australia and other European countries. A review of the development of the business during the year and comments on the future outlook are given on pages 4 and 5.

Changes in assets

£148.1 million has been invested in fixed tangible assets during the year. After charging depreciation of £71.1 million, the net increase in fixed tangible assets is £75.1 million.

There has been no recent independent valuation of the group's properties in the United Kingdom. The properties are employed in the business and many of them were acquired when the pound had considerably greater value than at present and market values were substantially lower. The directors consider that a surplus over book value exists but they are unable to quantify the excess.

Share capital

By a resolution passed at an extraordinary general meeting on 30 July 1984, authority was given to the directors to allot shares in the company up to a maximum value of £745,000 at any time prior to 29 July 1989. No shares have been issued during the year.

GEORGE WESTON HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Development

Sales for the year recorded an increase of 11.0 per cent to £2,806.5 million and profit before tax advanced by 21.1 per cent to £297 million.

Reflecting the continuing pressure on margins, group trading surplus at £160.7 million was ahead by £8.8 million or 5.8 per cent, of which £2.4 million was due to gains on currency exchange. In the United Kingdom food manufacturing activities increased sales by 7.5 per cent to £1,412 million and recorded a marginal increase in profit at £80.9 million up from £78.2 million. Once again, the baking division operating in highly competitive markets and against a background of falling per capita bread consumption held on to its leading market share, although at some cost to trading profit which was below that of the previous year. The milling division, although involved in a programme of rationalisation and modernisation of its asset base, nevertheless was able to achieve record profits.

Both of the major branded food product divisions recorded further progress. The Ryvita Company achieved further sales increases and on the export side reported a 20 per cent increase in turnover. Although faced with substantial increases in the price of tea in the early part of the year which could not be passed on in the form of selling price increases until late in the financial year, Twinings once again achieved gains in market share in most of the major countries in which is operates.

In other areas of food manufacturing price competition was again severe with a number of areas, in particular in frozen foods, suffering from excess capacity in markets dominated by the major multiple retail customers.

The retail divisions, principally operating in Ireland, were able marginally to improve market share both North and South. In Northern Ireland, Stewarts and Crazy Prices boosted market share by an aggressive pricing strategy although this was at some cost to profit. In Eire, Quinnsworth further improved both sales profit and market share to turn in another record performance.

Once again record sales and profits were achieved by George Weston Foods in Australia and New Zealand. These gains were recorded against a background of federal government deregulation of wheat supplies to the milling industry and the complete deregulation by the state of the New South Wales baking industry after many years of tight control of operating hours and pricing.

Overall the Australian and New Zealand companies are continuing to invest heavily in their principal trading operations to achieve operating efficiencies and profitable sales growth.

Investment income advanced from £98.1 million to £143.5 million or some 46 per cent. This substantial increase was attributable to two major factors, the sharply higher interest rates which prevailed throughout the year and the sale in June 1989 of the group's holding in Gateway Corporation for £310 million. This was referred to in last year's Report.

After taxation of £95.0 million compared with £74.6 million in 1989 and minority interests up from £63.8 million to £75.2 million, profit on ordinary activities attributable to the company reached £126.8 million, an increase of £20.0 million or 18.7 per cent.

Development (continued)

Extraordinary items at £50.5 million arose principally from the surplus over book value on the sale of the investment in Gateway Corporation against which provision was made for closure and disposal costs arising on the planned withdrawal from certain non-core activities.

Profit attributable to ordinary shareholders was £177.3 million, an increase of £47.9 million or 37.0 per cent on 1989.

Although further substantial capital investment was made during the year, when additions to fixed assets totalled £148.1 million, the group's financial position remains extremely strong. Since the close of the financial year the company has been able to capitalise on its strong liquidity position by purchasing a major City of London property investment. The property, newly completed and in a prime position in the City, is let to a single, triple A rated tenant and was acquired from a property development company on advantageous terms. It is expected that this investment will show sound long-term growth in both rental and capital value.

Employees

The directors recognise the benefits which accrue from keeping employees informed of the development of the business and involving them in the group's progress and the group is committed to the concept of employee involvement and participation.

The group is organised on a divisional basis and each division has been encouraged to develop its own approach to employee involvement and as a result adopts such employee consultations procedures as it considers appropriate. At local level some operating units publish their own news sheets or organise presentations by directors or managers and companies continue to evolve procedures appropriate to their size and organisation designed to keep employees and their representatives briefed on all matters relevant to them.

It is the policy within the group to offer equal opportunity to disabled persons in their recruitment, training and career development, having due regard to their aptitudes and abilities in relation to jobs available.

Charitable and political donations

During the year a contribution of £100,000 (1989: £100,000) was made to the Conservative Party, and a contribution of £7,500 (1989: £7,500) was made to the Centre for Policy Studies. Contributions to United Kingdom charitable organisations totalled £0.1 million (1989: £0.1 million).

Directors

In accordance with the Articles of Association, Mr GH Weston retires by rotation and, being eligible, offers himself for re-election. A list of the directors of the company and a statement of their interests, including family interests, in the shares and debentures of the group is shown on pages 30 and 31.

GEORGE WESTON HOLDINGS LIMITED

DIRECTORS' REPORT (continued)

Research and development

Weston Research Laboratories Limited, in partnership with the trading companies, continuously provide a service in developing existing products, researching new products and maintaining standards. Similar facilities also exist overseas.

Auditors

On 1 January 1990, the auditors changed the name under which they practise to KPMG Peat Marwick McLintock, and accordingly they have signed their report in their new name. A resolution concerning the re-appointment of KPMG Peat Marwick McLintock as auditors and their remuneration will be submitted to the annual general meeting.

By order of the board

Secretary

68 Knightsbridge
London, SW1X 7LR

3 July 1990

GEORGE WESTON HOLDINGS GROUP

CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the year ended 31 March 1990

	Notes	1990 £ million	1989 £ million
Turnover	2	2,806.5	2,527.3
Trading surplus	3	160.7	151.9
Interest payable	6	(7.2)	(4.8)
Group profit		153.5	147.1
Investment income	7	143.5	98.1
Profit on ordinary activities before taxation	2	297.0	245.2
Taxation on profit on ordinary activities	8	(95.0)	(74.6)
Profit on ordinary activities after taxation		202.0	170.6
Minority interests		(75.2)	(63.8)
Profit on ordinary activities attributable to the company		126.8	106.8
Extraordinary items	9	50.5	22.6
Profit for the financial year		177.3	129.4
Dividends	10	(11.2)	(9.6)
Retained profit for the financial year		166.1	119.8
Reserves			
At 1 April 1989		1,205.6	1,076.0
Retained profits		166.1	119.8
Other movements on reserves		(0.2)	9.8
At 31 March 1990		1,371.5	1,205.6

GEORGE WESTON HOLDINGS GROUP

CONSOLIDATED BALANCE SHEET

As at 31 March 1990

	Note	£ million	1990 £ million	1989 £ million
FIXED ASSETS				
Tangible assets	11		734.4	659.3
Investments	12		134.6	135.2
			869.0	794.5
CURRENT ASSETS				
Stocks	14	246.2		217.8
Debtors	15	248.6		229.2
Investments	16	1,143.9		986.7
Cash at bank and in hand		135.3		119.6
		1,774.0		1,553.3
CREDITORS: Amounts falling due within one year	17	(468.6)		(446.6)
NET CURRENT ASSETS			1,305.4	1,106.7
TOTAL ASSETS LESS CURRENT LIABILITIES			2,174.4	1,901.2
CREDITORS: Amounts falling due after one year	17		(18.7)	(16.1)
PROVISION FOR LIABILITIES AND CHARGES	19		(22.2)	(7.4)
			2,133.5	1,877.7
CAPITAL AND RESERVES				
Called up share capital	20		0.5	0.5
Revaluation reserve	21		12.3	12.7
Other reserves	21		100.4	99.1
Profit and loss account	21		1,258.8	1,093.8
			1,372.0	1,206.1
MINORITY INTERESTS IN SUBSIDIARIES			761.5	671.6
			2,133.5	1,877.7

Director

Director

GEORGE WESTON HOLDINGS LIMITED

BALANCE SHEET

As at 31 March 1990

	Notes	£ million	1990 £ million	1989 £ million
FIXED ASSETS				
Tangible assets	11		2.6	2.0
Shares in group companies	23		35.9	34.3
			38.5	36.3
CURRENT ASSETS				
Debtors	15	36.1		34.9
Investments	16	82.0		59.1
Cash at bank and in hand		61.4		62.6
		179.5		156.6
CREDITORS: Amounts falling due within one year	17	(15.2)		(17.2)
NET CURRENT ASSETS			164.3	139.4
TOTAL ASSETS LESS CURRENT LIABILITIES			202.8	175.7
CREDITORS: Amounts falling due after more than one year	17		(0.1)	(0.2)
			202.7	175.5
CAPITAL AND RESERVES				
Called up share capital	20		0.5	0.5
Other reserves	21		4.7	4.7
Profit and loss account	21		197.5	170.3
			202.7	175.5

Director

Director

GEORGE WESTON HOLDINGS GROUP

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

For the year ended 31 March 1990

	1990 £ million	1989 £ million
SOURCE OF FUNDS		
Profit before tax	297	245
Depreciation	71	61
Sale of fixed assets	15	14
Subsidiaries and equity investments	313	58
Issue of shares in subsidiary	2	-
	698	378
APPLICATION OF FUNDS		
Increase/(decrease) in working capital:		
Stocks	22	(11)
Debtors	19	16
Creditors	(5)	(6)
	36	(1)
Purchase of fixed assets	148	133
New subsidiaries and equity investments	7	52
Tax payments	83	75
Dividends paid to minorities	18	15
Dividends of George Weston Holdings	10	9
	302	283
INCREASE/(DECREASE) IN LIQUID FUNDS LESS BORROWINGS		
Cash and non equity current asset investments less short term borrowings	396	92
Long and medium term borrowings	-	3
	396	95

GEORGE WESTON HOLDINGS GROUP

NOTES

(forming part of the financial statements)

1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets, and in accordance with s228 and s230 of, and Schedule 4 to, the Companies Act 1985.

In accordance with the Companies Act 1985 s228 (7), no profit and loss account has been presented for the company.

The effects of events relating to the year ended 31 March 1990 which occurred before 3 July 1990, the date of approval of the financial statements by the board of directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 March 1990 and of the results for the year ended on that date.

Consolidation

The consolidated profit and loss account includes the results of new subsidiaries attributable to the period since acquisition. The excess of the purchase price of new subsidiaries over the value of net tangible assets acquired is written off against reserves in the year of acquisition. Properties owned by new subsidiaries are included at cost to the group based on valuations at the dates of acquisition and were included in the purchase considerations at those valuations.

The financial statements of the company and its subsidiaries are made up for the 52 week period ended on the Saturday nearest 31 March except for the financial statements of the Australian and New Zealand subsidiaries and a UK subsidiary, Fortnum & Mason plc, which have been made up for the year to 31 January 1990 and 27 January 1990 respectively to avoid delay in the preparation of the consolidated financial statements and to conform with accepted trading periods in the retail trade.

Associated companies

Companies in which the group has an investment comprising an interest of not less than 20 per cent in the voting capital and over which it exerts significant influence are defined as associated companies. Dividends received from these companies have been included in the group profits and the investments are stated in the consolidated balance sheet at cost. The difference between cost and the net book value of the assets attributable to the investment, and the retained profits for the year of these companies, are in the opinion of the directors not material.

GEORGE WESTON HOLDINGS G

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

Depreciation

Depreciation, calculated on cost or valuation, is provided on a straight line basis over the anticipated life of the asset.

No depreciation is provided on freehold land. Leaseholds are written off over the period of the lease. The anticipated life of other assets is generally deemed to be not longer than:

Freehold buildings	-	66 years
Plant machinery, fixtures and fittings	-	12 years
Vehicles	-	8 years

Leases

All material leases entered into by the group are operating leases whereby substantially all the risks and rewards of ownership of an asset remain with the lessor. Rental payments are charged against profits on a straight line basis over the life of the lease.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due provision against obsolete and slow moving items. In the case of finished goods the term 'cost' includes ingredients, production wages and production overheads.

Investments

Fixed asset investments are stated at cost. Equity current asset investments are stated in the balance sheet at the lower of cost and market value. Other current asset investments are stated at market value including accrued income.

Deferred tax

Deferred tax represents corporation tax in respect of accelerated taxation allowances on capital expenditure and other timing differences to the extent that a liability is anticipated in the foreseeable future.

Foreign currencies

The results of overseas subsidiaries and assets and liabilities overseas are converted into sterling at the rates of exchange ruling at 31 March 1990. Exchange differences arising on consolidation are taken directly to reserves. Other exchange differences are dealt with as part of trading profits.

GEORGE WESTON HOLDINGS GROUP

NOTES (continued)

1 ACCOUNTING POLICIES (continued)

Pensions

The group has established separately funded pension schemes for the benefit of full time staff, which vary with conditions in the countries concerned. Net pension costs are charged to income over the expected average remaining service lives of employees. Any difference between the charge for pensions and total contributions is included within pension provisions or debtors as appropriate.

GEORGE WESTON HOLDINGS GROUP

NOTES (continued)

2 ANALYSIS OF TURNOVER AND PROFIT ON ORDINARY ACTIVITIES

		1990 £ million		1989 £ million
Turnover				
United Kingdom				
Manufacturing	1,420		1,324	
Retail	341		317	
		1,761		1,641
Overseas				
Australia and New Zealand	397		388	
Others, mainly Europe	648		498	
		1,045		886
		2,806		2,527
Profit on ordinary activities before taxation				
United Kingdom				
Manufacturing	81.0		77.1	
Retail	10.4		17.5	
		91.4		94.6
Overseas				
Australia and New Zealand	34.5		29.9	
Others, mainly Europe	32.9		23.1	
		67.4		53.0
Investment income less interest payable and central charges		138.2		97.6
		297.0		245.2

NOTES (continued)

3 TRADING SURPLUS

	1990 £ million	1989 £ million
Sales to customers	2,806.5	2,527.3
Cost of sales	2,054.0	1,840.6
Distribution costs	451.2	408.8
Administrative expenses	140.6	126.0
Trading surplus	160.7	151.9

The trading surplus is stated after charging:

	1990 £ million	1989 £ million
Staff costs	509.7	471.3
Depreciation of fixed tangible assets	71.1	60.8
Hire of plant and machinery	1.5	1.6
Rental payable under property leases	18.1	17.2
Auditors' remuneration	1.7	1.6

4 DIRECTORS AND EMPLOYEES

	1990 £'000	1989 £'000
Directors' emoluments		
Chairman	131	103
Other directors	229	188
Pension to widow of former director	10	10
	370	301

Emoluments, excluding pension contributions, of United Kingdom directors (other than the chairman) and employees:

	Directors		Employees over £30,000	
	1990	1989	1990	1989
£ 30,001 - £ 35,000	–	–	89	55
£ 35,001 - £ 40,000	–	–	45	27
£ 40,001 - £ 45,000	–	–	23	15
£ 45,001 - £ 50,000	–	–	12	9
£ 50,001 - £ 55,000	–	–	14	9
£ 55,001 - £ 60,000	–	–	9	4
£ 60,001 - £ 65,000	–	–	3	1
£ 65,001 - £ 70,000	–	–	3	–
£ 75,001 - £ 80,000	–	–	–	3
£ 85,001 - £ 90,000	–	1	1	–
£ 90,001 - £ 95,000	–	–	1	–
£ 95,001 - £100,000	1	1	–	–
£115,001 - £120,000	1	–	–	–
£190,001 - £195,000	–	–	1	–

GEORGE WESTON HOLDINGS GROUP

NOTES (continued)

4 DIRECTORS' AND EMPLOYEES (continued)

	1990	1989
Average number of employees		
United Kingdom		
Manufacturing	32,825	33,625
Retail	6,654	6,373
Overseas		
Australia and New Zealand	6,970	7,018
Others, mainly Europe	6,632	6,750
	53,081	53,766

	1990 £ million	1989 £ million
Staff costs - wages and salaries	471.5	437.1
- social security costs	34.1	30.3
- other pension costs	4.1	3.9
	509.7	471.3

5 PENSION COSTS

The group operates pension schemes throughout the world, the majority of which are of the defined benefit type. The pension cost charge for the period was £4.0 million (1989: £3.7 million) and this relates principally to schemes outside the UK.

The main UK Scheme provides benefits based on final pensionable earnings. Any pension cost in the United Kingdom is assessed in accordance with the advice of an independent qualified actuary using the projected unit method. At 5 April 1987, the date of the last actuarial valuation, it was assumed that the investment return would be 8.5 per cent. per annum, the salary increases would average 7 per cent. per annum and dividends would increase by 3.5 per cent. per annum.

At 5 April 1987 the market value of this Scheme's assets was £470 million and the actuarial value of these assets represented 132 per cent. of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The group also operates pension schemes in Ireland, Australia and New Zealand. The charge in the accounts is that which has been recommended by a qualified local actuary.

GEORGE WESTON HOLDINGS GROUP

NOTES (continued)

6 INTEREST PAYABLE

	1990 £ million	1989 £ million
Loans not wholly repayable within five years	0.5	0.7
Other loans	6.7	4.1
	7.2	4.8

7 INVESTMENT INCOME

	1990 £ million	1989 £ million
Dividend income:		
Berisford International plc	9.2	9.4
The Gateway Corporation plc	-	16.2
Other current asset equity investments	4.7	4.0
Associated companies	1.3	0.3
Interest and appreciation in market value from current asset investments:		
Listed	5.3	6.9
Unlisted	122.6	55.6
Profit on sale of current asset equity investments	0.4	5.7
	143.5	93.1

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for the year is as follows:

	1990 £ million	1989 £ million
United Kingdom:		
Corporation tax at 35 per cent	51.7	41.2
Tax on franked investment income	3.5	7.2
Deferred tax	3.2	(1.3)
Overseas:		
Income tax	35.1	26.8
Deferred tax	1.5	0.7
	95.0	74.6

NOTES (continued)

9 EXTRAORDINARY ITEMS

	1990 £ million	1989 £ million
Surplus on sale (1989: adjustment to valuation) of investment in The Gateway Corporation PLC	89.1	(9.5)
Profits less losses on sales of investments	1.2	52.1
Provision for closure and disposal costs associated with planned withdrawal from certain non-core activities	(14.0)	-
	76.3	42.6
Tax on extraordinary items	3.9	(6.8)
	80.2	35.8
Attributable to minority interests	(29.7)	(13.2)
	50.5	22.6

No tax arises on the sale of the investment in The Gateway Corporation PLC. The investment was written down to the market value at 1 April 1989.

10 DIVIDENDS OF GEORGE WESTON HOLDINGS LIMITED

	1990 £ million	1989 £ million
Ordinary dividends		
Dividend of 200p per share in respect of year ended 1 April 1989 which together with the associated tax credit is equivalent to 266.67p per share	2.0	2.0
First interim dividend in respect of the year ended 31 March 1990 of 520p per share (1989: 430p) which together with the associated tax credit is equivalent to 693.33p per share (1989: 573.33p)	5.2	4.3
Second interim dividend in respect of the year ended 31 March 1990 of 400p per share (1989: 330p) which together with the associated tax credit is equivalent to 533.33p per share (1989: 440p)	4.0	3.3
	11.2	9.6

The first interim dividend will be paid on 1 October 1990, and the second interim dividend on 4 March 1991.

GEORGE WESTON HOLDINGS GROUP

NOTES (continued)

11 FIXED TANGIBLE ASSETS

Group	Total £ million	Land and buildings £ million	Plant and machinery £ million	Payments on account £ million
Cost or valuation 1 April 1989	1,052.9	261.7	724.4	66.8
Effect of currency changes	14.5	8.9	5.6	-
Additions at cost	148.1	35.1	139.8	(26.8)
Disposals at cost or valuation	(36.7)	(6.2)	(30.5)	-
Amounts added on acquisition of subsidiaries	1.7	0.3	1.4	-
Cost or valuation at 1 April 1990	1,180.5	299.8	840.7	40.0
Depreciation at 1 April 1989	393.6	34.2	359.4	-
Effect of currency changes	2.3	0.7	1.6	-
Provided during year	71.1	4.8	66.3	-
Amounts added on acquisition of subsidiaries	0.7	-	0.7	-
On disposals	(21.6)	(0.7)	(20.9)	-
Depreciation at 31 March 1990	446.1	39.0	407.1	-
Net book values at 31 March 1990	734.4	260.8	433.6	40.0
1 April 1989	659.3	227.5	365.0	66.8

GEORGE WESTON HOLDINGS GROUP

NOTES (continued)

11 FIXED TANGIBLE ASSETS (continued)

	1990 £ million	1989 £ million
Analysis of land and buildings at net book value		
Freehold	218.1	190.7
Long leasehold	36.7	33.0
Short leasehold	6.0	3.8
	260.8	227.5
Details of revalued land and buildings		
Valuation in 1956/57	3.8	3.8
1981/82	21.4	22.8
	25.2	26.6
Depreciation to date	4.4	4.2
Net book value	20.8	22.4
Historical cost	14.0	14.8
Depreciation to date based on cost	4.8	4.7
Historical cost net book value	9.2	10.1

Company

	£ million
Long leasehold	
1 April 1989	2.0
Additions at cost	0.6
31 March 1990	2.6

NOTES (continued)

12 FIXED ASSET INVESTMENTS

Group	Associated companies £ million	Other investments £ million	Total £ million
Shares at 1 April 1989	1.2	133.0	134.2
Effect of currency changes	(0.1)	-	(0.1)
Additions	-	0.1	0.1
Disposals	(0.1)	(0.8)	(0.9)
At 31 March 1990	1.0	132.3	133.3
Loans at 1 April 1989	0.8	0.2	1.0
Advances	0.4	-	0.4
Repayments	(0.1)	-	(0.1)
At 31 March 1990	1.1	0.2	1.3
Total shares and loans Net book value at 31 March 1990	2.1	132.5	134.6
At 1 April 1989	2.0	133.2	135.2

All investments are stated at cost. Of the other investments £132.2 million (1989: £132.9 million) represents the investment in Berisford International plc, the market value of which was £154.9 million (1989: £173.7 million).

Details of the principal associated companies and other trade investments are given on page 28.

13 COMMITMENTS

There are commitments for capital expenditure by the group of approximately £27 million (1989: £27 million) for which no provision has been made in the financial statements. The directors have approved further capital expenditure of approximately £35 million (1989: £29 million) on which there are no commitments.

14 STOCKS

	1990 £ million	1989 £ million
Raw materials and consumables	104.5	106.2
Finished goods and goods for resale	141.7	111.6
	246.2	217.8

NOTES (continued)

15 DEBTORS

	Company		Group	
	1990	1989	1990	1989
	£ million	£ million	£ million	£ million
Trade debtors	-	-	202.6	189.5
Amounts owed by subsidiaries (including dividends)	35.7	34.5	-	-
Other debtors	0.2	0.3	24.3	20.8
Prepayments and accrued income	0.2	0.1	21.7	18.9
	36.1	34.9	248.6	229.2

16 CURRENT ASSET INVESTMENTS

	Company		Group	
	1990	1989	1990	1989
	£ million	£ million	£ million	£ million
Listed on recognised stock exchange:				
Ordinary shares of The Gateway Corporation plc	-	-	-	221.4
Other equity investments	60.3	59.1	114.2	115.7
Other listed investments	-	-	123.6	138.4
Unlisted investments	21.7	-	906.1	511.2
	82.0	59.1	1,143.9	986.7

The company holds 16.0% of the issued ordinary share capital of Clyde Petroleum plc, a company registered in Scotland. The market value of the company's equity investments totalled £103.0 million (1989: £88.3 million).

The shares in The Gateway Corporation PLC were disposed of in June 1989. The market value of the group's other equity investments totalled £166.7 million (1989: £156.8 million). Other investments comprise interest bearing instruments and deposits.

17 CREDITORS: Amounts falling due within one year

	Company		Group	
	1990	1989	1990	1989
	£ million	£ million	£ million	£ million
Loans (see note 18)	-	-	42.9	43.3
Trade creditors	-	-	196.7	176.5
Taxation and social security	2.0	1.4	113.5	108.9
Accruals and deferred income	0.1	0.2	106.3	110.3
Dividends	9.2	7.6	9.2	7.6
Amount owed to subsidiaries	3.9	8.0	-	-
	15.2	17.2	468.6	446.6

NOTES (continued)

CREDITORS: Amounts falling due after one year

	Company 1990 £ million	Company 1989 £ million	Group 1990 £ million	Group 1989 £ million
Loans (see note 18)	0.1	0.2	9.3	9.5
Taxation on profits	-	-	9.4	6.6
	0.1	0.2	18.7	16.1

18 LOANS

	Group 1990 £ million	Group 1989 £ million
Bank loans and overdraft	42.0	33.2
Other loans		
Wholly repayable within five years		
Secured loans	2.8	10.2
Wholly repayable after five years		
5.5% unsecured loan stock 1987/2002	2.3	2.3
7.5% unsecured loan stock 1987/2002	5.1	5.1
	7.4	7.4
Repayable by instalments wholly or partly after five years		
Secured loans	-	2.0
Total loans	52.2	52.8
Creditor analysis (note 17)		
Repayable:		
In one year or less -		
bank loans and overdrafts	42.0	33.1
other loans	0.9	10.2
	42.9	43.3
Beyond one year -		
Between one and two years	0.2	[illegible]
Between two and five years	1.6	[illegible]
In more than five years	7.5	[illegible]
	9.3	9.5

NOTES (continued)

19 PROVISIONS FOR LIABILITIES AND CHARGES

	Total £ million	Deferred tax £ million	Other provisions £ million
At 1 April 1989	7.4	7.4	-
Charge/(credit) - ordinary activities	4.7	4.6	0.1
- extraordinary items	10.1	(3.9)	14.0
At 31 March 1990	22.2	8.1	14.1

The provision for deferred tax is in respect of accelerated capital allowances less other timing differences to the extent that a liability is anticipated. The full potential liability at 31 March 1990 was £69 million (1989: £60 million). No provision has been made in these accounts for the additional tax which would be payable on the remittance to this country of the group's share of profits retained by overseas subsidiaries.

Other provisions represent provision for closure and disposal costs associated with planned withdrawal from certain non-core trading activities.

20 SHARE CAPITAL OF GEORGE WESTON HOLDINGS LIMITED

	1990 No	1990 £'000	1989 No	1989 £'000
Authorised				
Ordinary shares of 50p	1,500,000	750	1,500,000	750
Allotted and fully paid				
Ordinary shares of 50p	1,000,000	500	1,000,000	500

21 RESERVES

	Revaluation reserve £ million	Other reserves £ million	Profit and loss account £ million
At 1 April 1989	12.7	99.1	1,093.8
Effect of currency changes	(0.4)	0.2	4.9
Other movements	-	1.1	(2.8)
Goodwill written of	-	-	(3.2)
From profits of the year -			
company	-	-	27.1
subsidiaries	-	-	139.0
At 31 March 1990	12.3	100.4	1,258.8
Which have been dealt with as follows -			
In George Weston Holdings Limited	-	4.7	197.5
In subsidiaries	12.3	95.7	1,061.3
	12.3	100.4	1,258.8

NOTES (continued)

22 GOODWILL

During the year the group acquired several small businesses for £6.0 million. The book value of the net tangible assets acquired and their fair value was minimal. Consequently £5.0 million representing goodwill on acquisition has been written off to reserves.

23 SHARES IN GROUP COMPANIES

	£ million
At 1 April 1989	34.3
Additions	1.6
At 31 March 1990	35.9

Investments in subsidiaries are shown at cost less amounts written off. A list of the principal trading subsidiaries is given on pages 27 to 29. Except where noted, none of the companies shown on those pages is a direct subsidiary of George Weston Holdings Limited. The holding company structure is complicated and does not necessarily reflect the management grouping in which the companies are listed.

The entire share capitals of the companies listed are held within the group except where percentages are shown. These percentages give the group's ultimate interest and therefore allow for the position where sub-subsidiaries are owned by partly owned intermediate subsidiaries. The financial statements of subsidiaries representing approximately 34% of the group assets have been audited by firms other than the parent company auditors and their associates.

24 CONTINGENT LIABILITIES

Subsidiaries have guarantees outstanding amounting to £13.2 million (1989: £12.9 million).

Litigation and other proceedings against companies in the group are not considered material in the context of these accounts.

NOTES (continued)

25 LEASES

The group has minimum annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	Within one year £ million	Two to five years £ million	Over five years £ million	Total £ million
Land and buildings	2.4	6.9	11.1	20.4
Other	0.4	1.0	0.1	1.5
At 31 March 1990	2.8	7.9	11.2	21.9
Land and buildings	2.1	6.0	11.4	19.5
Other	0.8	0.9	-	1.7
At 1 April 1989	2.9	6.9	11.4	21.2

26 ULTIMATE HOLDING COMPANY AND RELATED INFORMATION

The ultimate holding company of George Weston Holdings Limited is Wittington Investments Limited, which is incorporated in Great Britain and registered in England. At 31 March 1990 Wittington Investments Limited held 530,498 ordinary shares representing 53% of the total issued share capital of George Weston Holdings Limited. Details of the directors' interests in group companies are given on page 30. George Weston Holdings Limited is a close company as defined in the Income and Corporation Taxes Act 1988.

Management charges totalling £0.3 million and £0.2 million have been made respectively to Associated British Foods plc and Fortnum & Mason plc, principally in respect of services of directors and staff paid by George Weston Holdings Limited. In addition, Associated British Foods plc made a charge of £0.1 million for services provided to George Weston Holdings Limited.

Sales on normal trading terms of £0.4 million (1989: £0.5 million) were made to subsidiaries of George Weston Limited, a Canadian listed company in which Mr WG Galen Weston has a controlling interest.

GEORGE WESTON HOLDINGS GROUP

NOTES (continued)

27 PRINCIPAL TRADING SUBSIDIARIES

In the British Isles and Europe

As at 31 March 1990 the group had an interest of 63% in the following companies unless otherwise noted.

Associated British Foods plc
(Pref. nil) (D)
A B Ingredients Limited (60.3%)
A B R Foods Limited
A B Technology Limited
Allied Foods Limited
Allied Grain Group
Allied-Love Adhesives Limited (57.5%)
Allied Mills Limited
The Aughton Group Limited (D) (100%)
Burton's Gold Medal Biscuits Limited
Chancelot Mill Limited (1)
Cranfield Brothers Limited
Crazy Prices (2)
C.W.I.I. Limited (7)
Eastbow Securities Limited
Fishers Agricultural Holdings Limited
Foods International S.A. (6)
Fortnum & Mason PLC
(Ord. 86% Pref.22%) (D)
Grosvenor Marketing Limited (4)
Jacksons of Piccadilly Limited
Koters (Liverpool) Limited
Lax & Shaw Limited
Mardorf, Peach & Co Limited
Mauri Products Limited (31.6%)
Namosa Limited (2)
James Neill Limited (2)
Allied Bakeries (N.I.) Limited (2)
Power Supermarkets Limited (3)
Primark Limited (3)
Primark Stores Limited
Provincial Merchants Limited
The Ryvita Company Limited
Stewarts Supermarkets Limited
Serpentine Securities Limited
Sunblest Bakeries Limited
R Twining and Company Limited
R Twining and Co Ltd (5)
R Twining and Co S.A. (6)
Weston Research Laboratories Limited
Walmsley Limited
Walter Williams & Co (London)
Limited (Pref. 35%)
Westmill Foods Limited
Wilsdon & Company Limited

With the exception of those marked as follows, all the above companies are incorporated in Great Britain and registered in England:

(1) Registered in Scotland
(2) Incorporated in Northern Ireland
(3) Incorporated in Republic of Ireland
(4) Incorporated in State of Delaware
(5) Incorporated in State of North Carolina
(6) Incorporated in France
(7) Incorporated in Jersey.

D Direct subsidiary of George Weston Holdings Limited

In Australia and New Zealand

The group has an interest of 49% unless otherwise noted.

Unless otherwise stated all companies are incorporated in Australia:

George Weston Foods Limited
N B Love Industries Pty Limited
Allied Foods Co. Limited *

* Incorporated in New Zealand.

GEORGE WESTON HOLDINGS GROUP

PRINCIPAL ASSOCIATED COMPANIES AND OTHER TRADE INVESTMENTS

		Issued share capital	
		Total	Percentage held by subsidiaries
In Australia		A$	
Wesfeeds Pty Limited	(A)	2,000,000	50
Wesmilk Pty Limited	(A)	500,000	50
In England		£	
Berisford International plc		48,369,000	23.2
In United States of America		$	
Harper-Love Adhesives Corporation	(A)	12,200	50

There are no related companies other than associated companies which are marked (A).

Except where distinction is made the share capital is wholly equity capital.

There is no loan capital in any of the associated companies.

The reserves of Berisford International plc at 30 September 1989 amounted to £386 million and the profit for the year ended on that date £75 million.

AUDITORS' REPORT TO THE MEMBERS OF
GEORGE WESTON HOLDINGS LIMITED

We have audited the financial statements on pages 7 to 28 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 March 1990 and of the profit and source and application of funds of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick McLintock

KPMG PEAT MARWICK McLINTOCK
Chartered Accountants
London

3 July 1990

GEORGE WESTON HOLDINGS LIMITED

STATEMENT OF DIRECTORS' INTERESTS

Beneficial interests

The directors of the company at the end of the year had the following beneficial interests, including family interests, in the shares and debentures of the company, its holding company and subsidiary companies.

	Number of shares held at 31 March 1990	Number of shares held at 1 April 1989
Garry H Weston		
Wittington Investments Limited, Ordinary shares of 50p	4,952	5,089
George Weston Holdings Limited, Ordinary shares of 50p	56	192
Associated British Foods plc, Ordinary shares of 5p	333,365	333,365
George Weston Foods Limited Ordinary shares of 5 cents	1,834	1,922
W G Galen Weston		
Wittington Investments Limited, Ordinary shares of 50p	37,953	37,953
George Weston Holdings Limited, Ordinary shares of 50p	12,498	12,498
Associated British Foods plc, Ordinary shares of 5p	548,272	548,272
H W Bailey		
Associated British Foods plc, Ordinary shares of 5p	68,055	33,055
W Monaghan		
Associated British Foods plc, Ordinary shares of 5p	7,700	7,700
H Mann		
Associated British Foods plc, Ordinary shares of 5p	26,500	26,500

Share options

The following directors have been granted options by Associated British Foods plc to subscribe for ordinary shares of that company under the share option scheme of Associated British Foods plc.

	Option exercisable	Number of shares
H W Bailey	1992 - 1997	33,500
W Monaghan	1989 - 1994	100,000

GEORGE WESTON HOLDINGS LIMITED

STATEMENT OF DIRECTORS' INTERESTS

Controlling interest

As explained in note 26 on page 26 the ultimate holding company is Wittington Investments Limited which owns 53% of the total issued ordinary share capital.

Garry H Weston has an interest, as defined in schedule 13 of the Companies Act 1985, in Wittington Investments Limited, which is a controlling interest.

Non-beneficial interests

The directors of the company at the end of the year had the following non-beneficial interests:

1 Garry H Weston and W G Galen Weston are trustees of a trust, in which they have no beneficial interest, which at 31 March 1990 held 448,775 shares of 50p (1989 - 448,775) in Wittington Investments Limited and 198,008 ordinary shares of 50p (1989 - 198,008) in George Weston Holdings Limited.

2 GH Weston and HW Bailey are trustees of a trust, in which they have no beneficial interest, which at 31 March 1990 held 750,000 ordinary shares of 5p (1989 - 750,000) in Associated British Foods plc.